

**ONE HUNDRED FIRST LEGISLATURE - SECOND SESSION - 2010**  
**COMMITTEE STATEMENT**  
**LB779**

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**Hearing Date:** Wednesday February 17, 2010

**Committee On:** Revenue

**Introducer:** Lathrop

**One Liner:** Change the Convention Center Facility Financing Assistance Act and the Local Civic, Cultural, and Convention Center Financing Act

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**Roll Call Vote - Final Committee Action:**

Advanced to General File with amendment(s)

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**Vote Results:**

**Aye:** 5 Senators Cornett, Dierks, Hadley, Loudon, White

**Nay:**

**Absent:**

**Present Not Voting:** 3 Senators Adams, Pirsch, Utter

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**Proponents:**

Senator Steve Lathrop  
Susan McNeil  
Donald Groesser  
Don Herz  
Pam Spaccarotella  
Lynn Rex

**Representing:**

Introducer  
Loup County, NE  
Mayor of Ralston, NE  
City of Lincoln  
City of Omaha  
League of Nebraska Municipalities

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

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**Summary of purpose and/or changes:**

LB 779 changes the Convention Center Facility Financing Assistance Act and the Local Civic, Cultural, and Convention Center Financing Act.

Under the revised legislation, stadiums and non climate controlled sports facilities would also become eligible for state sales tax financing under these provisions. Amusement parks would also be eligible. Definitions of amusement park and sport facilities are not found in the bill. Existing language limiting such projects to those with appropriate size to host regional, national or international events is not altered by the bill. Regional is defined as including sporting events which include participants from border states.

In the case of a sports facility, the area where state sales tax collections could be diverted to these purposes would be expanded to within a 1,000-yard zone of such sports facility. Sales tax collected by retailers doing business within this area in the 24 months prior to the completion of such sports facilities would be diverted to such purposes. All increases in sales tax collections after completion would be diverted. The Tax Commissioner would be required to audit sales tax permit holders to determine these amounts.

Other cities are eligible to receive grants funded from a 30 percent share of state sales tax diverted from facilities developed under the Convention Center Facility Financing Assistance Act. Language limiting such funding to cities

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which have developed a state financed facility is stricken, eligible purposes for the 30 percent share are expanded to include rehabilitation or preservation of historic structures, and a specific reference to Nebraska State Capitol Environs District is incorporated into the act. Language prohibiting a city from receiving more than one grant within a five-year period is stricken. Language prohibiting diversion of the grant funds to General Fund appropriations purposes is also stricken.

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**Explanation of amendments:**

Revenue Committee AM2038 would replace the original bill, and do the following:

1. Amends the Local Civic, Cultural, and Convention Center Financing Act to include the rehabilitation of historic buildings as an eligible activity for financial assistance.

Language allowing the Local Civic Center Fund to be used to finance improvements to Centennial Mall was removed.

2. The amendments allow amusement parks to become eligible to receive the benefits of the turnback mechanism. Amusement parks are defined as permanent facilities or parks that operate at least 180 days each year and have a minimum private capital investment of at least \$25 million. The turnback zone around an amusement park would be 450 yards.

The amendments limit the new financing provisions to new facilities. This limits its applicability. The new provisions will not apply to Qwest and the proposed Lincoln arena. The new ballparks in Douglas and Sarpy Counties will not be eligible for assistance.

3. New sports facilities will be able to utilize two different funding streams generated within 600 yards of the facility. (The original bill extended this zone to 1,000 yards.) Any increase in state sales tax revenue from retailers that existed 24 months prior to the completion of the facility could be used for the turnback provision. All state sales tax revenue collected by retailers that began operation up to 24 months prior to, or 24 months after, the completion of the facility could be used for the turnback provision.

4. Under the amendment, sports facility would be defined as any indoor building primarily used for competitive sports that has a seating capacity of at least 3,000 seats or any outdoor sports facility located in a county with a population of less than 100,000 inhabitants.

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Abbie Cornett, Chairperson